



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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October 27, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT
OF HEALTH SERVICES' HEALTH AUTHORITY LAW ENFORCEMENT TASK FORCE
(HALT) AND THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES'
OFFICE OF THE INSPECTOR GENERAL'S OFFICE OF INVESTIGATIONS
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his authorized designee, to offer and sign the attached Memorandum of Understanding (MOU), Exhibit I, between the Department of Health Services (DHS or Department) Health Authority Law Enforcement Task Force (HALT) and the United States Department of Health and Human Services' Office of the Inspector General's Office of Investigations (HHS OIG OI) to allow the DHS' HALT and the HHS OIG OI to collaborate in the investigation of Medicare fraud and the enforcement of laws related to Medicare services, effective upon the date of Board approval continuing in full force and effect for a period of one year, with provisions for automatic renewals for successive one year terms until terminated, without cause, upon either party giving at least 30 calendar days advance written notice to the other, at no additional net County cost.
2. Delegate authority to the Director of Health Services, or his designee, to offer and sign substantially similar MOUs with other law enforcement and governmental agencies, as required by the DHS' HALT to expand its future collaborative efforts in the performance of its investigative duties, contingent upon review and approval by County Counsel and notification of the Board offices.
3. Delegate authority to the Director of Health Services, or his designee, to offer and sign any amendments required to revise services provided by HHS OIG OI, or other law enforcement

and governmental agencies, under any approved MOU, pursuant to similar terms and conditions, upon review and approval by County Counsel and notification of the Board offices.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended action, the Board is allowing the Department of Health Services (DHS or Department) to enter into a MOU with the HHS OIG OI, to add to the collaborative support currently provided by the Department of Justice, State Department of Health Services, State Dental Board and State Medical Board as required by the DHS' HALT in the performance of its investigative duties. Such investigative duties, with the addition of HHS OIG OI support, will now be expanded from investigation of Medi-Cal fraud to also include Medicare fraud as well.

Implementation of Strategic Plan Goals

DHS' HALT activities seek to carry out the Board's goal to protect the public's safety by investigating unlicensed medical practitioners and corrupt medical practitioners who default the Medicare and Medi-Cal programs.

FISCAL IMPACT/FINANCING:

The parties agree to not charge the other for services provided under the MOU, and will separately be responsible for their own funding support. Funding for DHS' HALT activities is included in the Fiscal Year 2005-06 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 19, 1998 the Board requested that the District Attorney convene an emergency enforcement task force to immediately close those clinics that were found to be illegally practicing medicine and illegally dispensing pharmaceuticals as exposed by a CBS 2 News segment, and any other suspected clinics brought to their attention. The task force formed included the DHS, and local, state, federal agencies, who were assigned enforcement responsibilities for the illegal practice of medicine and illegal dispensing of pharmaceuticals. In the same action, the Board instructed the Director of Health Services to immediately establish a licensing task force to conduct a comprehensive evaluation of the local, state, and federal laws and regulations to determine what legislative measures should be put into effect to bring about consistent licensing provisions and streamline and strengthen enforcement authority. The DHS' HALT seeks to develop collaboration, expertise, and continuity between concerned governmental agencies in order to effectively investigate and deter illegal criminal activities that pose a threat to the public's health and well-being which fall under jurisdiction of the local health officer (e.g., the Director of Health Services).

On March 14, 2000, the Board approved the Los Angeles County Sheriff's Department's request to establish an intergovernmental service agreement to provide approximately two law enforcement officers and mutually agreed upon undercover vehicles to be assigned to the DHS' HALT.

Under the MOU, the HHS OIG OI will provide one Special Agent assigned to DHS' HALT on a part time basis, to assist in Medicare investigations.

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Since its inception, for Medi-Cal investigations alone, the DHS' HALT has saved the State approximately \$27 million dollars per year.

Attachment A provides additional information.

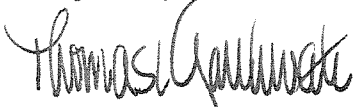
CONTRACTING PROCESS

Not applicable. It is not appropriate to advertise acceptance of subcontract agreements on the L.A. County Online Web Site, as a business opportunity.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will provide additional support to the DHS' HALT investigation of unlicensed medical practitioners and corrupt medical practitioners who default the Medicare and Medi-Cal system.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:gti

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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SUMMARY OF AGREEMENT

1. **TYPE OF SERVICES:**

The Department of Health Services' Health Authority Law Enforcement Task Force (HALT) seeks to develop collaboration, expertise, and continuity between concerned governmental agencies in order to effectively investigate and deter illegal criminal activities that pose a threat to the public's health and well-being which fall under jurisdiction of the local health officer (i.e., the Director of Health Services).

2. **AGENCY INFORMATION:**

Department of Health and Human Services
Office of the Inspector General
600 West Santa Ana Boulevard, Suite 1100
Santa Ana, California 92701
Attention: Mr. Gerald Roy, Assistant Special Agent in Charge
Telephone: (714) 246-8302; Facsimile/FAX: (714) 246-8301
electronic mail (e-mail) address: Gerry.Roy@oig.hhs.gov

3. **TERM OF AGREEMENT(S):**

Effective on the date of Board approval for a period of one year; thereafter the term is automatically renewed for successive one year terms, until terminated by either party upon the giving of at least a thirty day written notice to the other.

4. **FINANCIAL INFORMATION:**

The parties agree to not charge the other for services provide under the MOU, and will separately be responsible for their own funding support.

5. **GEOGRAPHIC AREA TO BE SERVED:**

All Districts.

6. **DESIGNATED ACCOUNTABLE FOR PROJECT MONITORING:**

Sharon Ryzak, Chief, Audit and Compliance Division.

7. **APPROVALS:**

Administrative Services: Sachi Hamai, Director

Contract and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Christina A. Salseda, Deputy County Counsel

EXHIBIT I

MOU No. _____

MEMORANDUM OF UNDERSTANDING
(HEALTH AUTHORITY LAW ENFORCEMENT TASK FORCE ["HALT"])

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered
into this _____ day of _____ 2005,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and UNITED STATES DEPARTMENT OF
HEALTH AND HUMAN SERVICES',
OFFICE OF THE INSPECTOR GENERAL,
OFFICE OF INVESTIGATIONS
(hereafter "HHS OIG OI").

WHEREAS, California Health and Safety Code Section 101000 requires County's Board of Supervisors to appoint a County Health Officer, who is also the Director of County's Department of Health Services ("Director"), to preserve and protect the public's health; and

WHEREAS, County has established the Health Authority Law Enforcement Task Force ("HALT") team (or "Task Force") which is a multi-jurisdictional task force assigned to investigate and deter illegal activity which falls under the jurisdiction of law enforcement and/or the County health officer and which poses a threat to the public's health and well-being; and

WHEREAS, it is the goal of the HALT team to develop

collaboration, expertise and continuity between concerned governmental agencies in order to effectively investigate and deter illegal activity within the county; and

WHEREAS, HHS OMG OI desires to collaborate in this endeavor with respect to the investigation of Medicare fraud and the enforcement of laws related to Medicare services; and

WHEREAS, the parties agree to provide services and assistance to each other in order to effectively and efficiently achieve these goals.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this MOU shall commence on the date of approval by County's Board of Supervisors and shall remain in full force and effect for one (1) year. Thereafter, the term of this MOU shall automatically renew for successive one (1) year terms unless terminated by either party, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice to the other as provided herein.

2. SERVICES TO BE PROVIDED:

HHS OIG OI agrees to provide the services of one (1) Special Agent, as determined by HHS OIG OI, who will be responsible for assisting the HALT team in investigating allegations of Medicare fraud occurring in County. The

Special Agent may be assigned to the Task Force on a part time basis.

3. COMPENSATION: There shall be no charge to either party for goods or services provided under this MOU.

4. COMMUNICATION EQUIPMENT: Communication equipment, including radios, for use during Task Force operations, shall be provided by County at no cost to HHS OIG OI. Other communication equipment not specifically described hereinabove, may be added upon mutual written consent of the parties.

5. UNDERCOVER VEHICLES: HHS OIG CI shall provide an undercover vehicle for use by the HHS OIG CI Special Agent in Task Force operations under this MOU.

6. TASK FORCE HEADQUARTERS: The HHS OIG CI Special Agent assigned to work with the HALT team under this MOU, shall be stationed at 313 North Figueroa Street, Los Angeles, California 90012-2659, or in the event the HALT team moves from its present site, at any subsequent HALT team principle site, during the times that the HHS OIG OI Special Agent is engaged in the work of the HALT team.

7. MEDIA INQUIRIES: HHS OIG OI and County agree that all media inquiries related to HALT team activities will be directed to, and handled by, County. County further agrees to comply with federal, State, and local regulations regarding the release of

information relating to criminal and/or civil proceedings. Moreover, County will apprise HHS OIG OI of any media related issues concerning HALT team activities, which directly relate to the assistance provided by, or the activities conducted by, the HHS OIG OI under the terms of this MOU. Whenever possible, County will consult with HHS OIG OI prior to holding press conferences, issuing press releases, or media outreach activities, as it relates to Medicare fraud.

8. ADMINISTRATION: The parties shall designate persons who have the authority to administer this MOU on the behalf of each party. Any changes of the designated person by either party shall be made by written notice to the other party.

9. HALT TEAM MEMBERS: HHS OIG OI shall designate the person or persons who will provide services to the HALT team as described in this MOU.

10. INDEMNIFICATION: The HHS OIG OI agrees to indemnify, defend and hold harmless County from and against any and all liability, arising from, or connected with HHS OIG OI agents' acts and/or omissions arising from and/or relating to this MOU, to the extent permitted by federal law, as set forth in the federal Torts Claim Act and appropriations requirements.

11. INDEPENDENT CONTRACTOR: Both parties hereto in the performance of this MOU will be acting in an independent capacity

and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purposes whatsoever, including workers' compensation liability.

12. AMENDMENTS: This writing embodies the whole of the MOU of the parties hereto. There are no oral agreements not contained herein. Except as herein provided, addition to or variations of the terms of this MOU shall not be valid unless made in the form of a written amendment to this MOU, formally approved and executed by both parties.

13. SEVERABILITY: If any provision of this MOU or the application thereof to any person or circumstance is held invalid, the remainder of this MOU and the application of such provision to other persons or circumstances shall not be affected thereby.

14. WAIVER: No waiver of a breach of any provision of this MOU shall constitute a waiver of breach of any other part of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this MOU shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

15. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this MOU, they shall be deemed a part of the operative provisions of this MOU and are fully binding upon the parties.

16. ENTIRE AGREEMENT: The body of this MOU shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this MOU.

17. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, postage paid, return receipt requested, to the parties at the following addresses and to the attention of the person named. Director, or his designee, shall have the authority to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either party by giving ten (10) business days prior written notice thereof to the other party.

A. Notices to County shall be addressed as follows:

(1) Department of Health Services
313 North Figueroa Street, Room 801
Los Angeles, California 90012-2659
Attention: Ms. Sharon Ryzak, Chief
Audit and Compliance Division

B. Notices to HHS OIG OI shall be addressed as
follows:

(1) Department of Health and Human Services
Office of the Inspector General
600 West Santa Ana Boulevard, Suite 1100
Santa Ana, California 92701
Attention: Mr. Gerald Roy, Assistant Special
Agent in Charge
Office of Investigations

IN WITNESS WHEREOF, the Board of Supervisors of the County
of Los Angeles has caused this MOU to be subscribed in its behalf

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by its Director of Health Services, and HHS OIG OI has caused this MOU to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

UNITED STATES DEPARTMENT OF
HEALTH AND HUMAN SERVICES',
OFFICE OF THE INSPECTOR GENERAL,
OFFICE OF INVESTIGATIONS
Contractor

By _____
Michael Little
Deputy Inspector General for
Investigations

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

gti:10/26/05
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